

9 November 2023

Subject: Management Discussion and Analysis of Operating Results for Quarter 3 of 2023

To Director and Manager The Stock Exchange of Thailand

I2 Enterprise Public Company Limited (Company) would like to report the Company operating result ended 30 September 2023, which has been reviewed by a certified public accountant as following:

For the operating results for 9-month period of 2023, total revenues of the Company amounted to Baht 843.66 million, which increased by Baht 231.41 million or increased by 37.80 percent comparing to the same period of previous year; and net profit of the Company amounted to Baht 55.80 million, which increased by Baht 42.09 million or increased by 306.94 percent comparing to the same period of previous year mainly due to the following reasons:

Operating results of the Company

| Operating results | 9-month period of 2022 | | 9-month period of 2023 | | Change | |
|--|------------------------|---------------|------------------------|---------------|--------------|----------------|
| | Mil. Baht | Percent | Mil. Baht | Percent | Mil. Baht | Percent |
| Revenues from sales and services | 606.99 | 99.14% | 837.91 | 99.32% | 230.92 | 38.04% |
| Cost of sales and services | (533.69) | -87.92% | (718.62) | -85.76% | 184.93 | 34.65% |
| Gross Profit | 73.30 | 12.08% | 119.29 | 14.24% | 45.99 | 62.74% |
| Selling expenses | (7.38) | -1.20% | (17.49) | -2.07% | 10.11 | 137.08% |
| Administrative expenses | (46.62) | -7.62% | (30.27) | -3.59% | (16.35) | -35.07% |
| Total expenses | (54.00) | -8.82% | (47.76) | -5.66% | 6.24 | 11.56% |
| Other income | 5.26 | 0.86% | 5.75 | 0.68% | 0.49 | 9.36% |
| Profit before finance cost and Tax expenses | 24.56 | 4.01% | 77.28 | 9.16% | 52.72 | 214.69% |
| Finance cost | (6.82) | -1.11% | (8.28) | -0.98% | 1.47 | 21.50% |
| Profit before income tax expenses | 17.74 | 2.90% | 68.99 | 8.18% | 51.25 | 288.92% |
| Income tax expenses | (4.03) | -0.66% | (13.20) | -1.56% | 9.17 | 227.58% |
| Profit for the year | 13.71 | 2.24% | 55.80 | 6.61% | 42.09 | 306.94% |

Revenues from sales and services

For 9-month period ended 30 September 2023, revenues from sales and services of the Company amounted to Baht 837.91 million, which increased by Baht 230.92 million or increased by 38.04 percent from the same period of 2022. This was mainly because the Company had revenues from IT Infrastructure Solution Business in the amount of Baht 481.27 million increased by 19.69 percent. This was because of the gradual delivery of large projects such as the IP Core system procurement and installation project, which the project owner is Provincial Electricity Authority (PEA), information service system project, which the project owner is the Office of the Permanent Secretary for Interior, and etc. The revenues from the IT Infrastructure Solution Business which was

57.05 percent of the total revenues. while the Company has revenues from Energy Saving and Management Solution Business in the amount of Baht 172.44 million increased by 4,673 percent. This was because of the gradual procurement and installation of projects Battery Energy Storage System : BESS on Koh Samui, Surat Thani which the project owner is PEA Encom International Co.,Ltd, The revenues from the Energy Saving and Management Solution Business which was 20.44 percent of the total revenues. while the Company has revenues from Internet Services Solutions Business in the amount of Baht 179.51 million such as the which was close to the same period of 2022.

Cost of sale and services

For 9-month period ended 30 September 2023, cost of sales and services of the Company amounted to Baht 718.62 million, which increased by Baht 184.93 million or increased by 34.65 percent from the same period of previous year. This was mainly because of the cost of sales and services for projects of 2 business groups, including IT Infrastructure Solutions Business and Energy Saving and Management Solution Business increased by Baht 201.86 million mainly due to an increase in project works of 2 business groups. However, for the Digital Transformation solution business which decreased by Baht 16.68 million from the same period of previous year.

Administrative expenses

For 9-month period ended 30 September 2023, administrative expenses of the Company amounted to 30.27 million, which decreased by Baht 16.35 million from the same period of previous year, mainly due to an decrease in Allowance for expected credit losses decrease amounted to 21 million.

Selling expenses

For 9-month period ended 30 September 2023, selling expenses of the Company amounted to Baht 17.49 million, which increased by 10.11 million from the same period of previous year, mainly from 1) employee expenses as a result of expanding the team in 2022, and 2) commission fee. The commission increased because the Company delivered many projects, including big projects, in this period. When comparing selling expenses to total revenues, the proportion was 3.59 percent.

Finance costs

For 9-month period ended 30 September 2023, financial costs of the Company amounted to Baht 8.28 million or 0.98 percent of total revenues. The financial costs of the Company consisted of interest on loans, interest expenses and front-end fee.

Net profit

For 9-month period ended 30 September 2023, net profit of the Company amounted to Baht 55.80 million, representing a net profit margin of 6.61 percent of total revenues. The net profit margin increased from the same period of previous year because the Company gradually delivered many projects, including big projects, in this period.

Report on Financial position of the Company

| Financial position | As at 31 December 2022 ^{1/} | | As at 30 September 2023 | | Change | |
|---|--------------------------------------|---------------|-------------------------|---------------|---------------|----------------|
| | Mil. Baht | Percent | Mil. Baht | Percent | Mil. Baht | Percent |
| Total current assets | 617.41 | 75.61% | 1,300.89 | 87.12% | 683.48 | 110.70% |
| Total non-current assets | 199.19 | 24.39% | 192.31 | 12.88% | (6.88) | -3.46% |
| Total assets | 816.60 | 100% | 1,493.20 | 100% | 676.60 | 82.86% |
| Total current liabilities | 474.31 | 58.08% | 603.24 | 40.40% | 128.93 | 27.18% |
| Total non-current liabilities | 91.86 | 11.25% | 287.63 | 19.26% | 195.78 | 213.14% |
| Total liabilities | 566.17 | 69.33% | 890.87 | 59.66% | 324.71 | 57.35% |
| Issued and paid-up capital | 150.00 | 18.37% | 210.00 | 14.06% | 60.00 | 40.00% |
| Share premium | 38.91 | 4.77% | 297.51 | 19.92% | 258.60 | 664.57% |
| Retained earnings | 61.52 | 7.53% | 94.81 | 6.35% | 33.30 | 54.12% |
| Total shareholders' equity | 250.43 | 30.67% | 602.32 | 40.34% | 351.89 | 140.52% |
| Total liabilities and shareholders' equity | 816.60 | 100% | 1,493.20 | 100% | 676.60 | 82.86% |

Remark : ^{1/}In the financial statements for the 9-month period ended 30 September 2023, the Company has reclassified some items, including trade and other receivables, contract liabilities and unbilled payables, as shown in the notes of the interim financial statements for the 9-month period ended 30 September 2023, Clause 13 Reclassification. The reclassifications had no effect on shareholders' equity and the profit and loss statement of the Company.

Assets

As at 30 September 2023, total assets of the Company amounted to Baht 1,493.20 million, which increased by 676.60 million or increased by 82.86 percent from the period ended 31 December 2022, mainly due to an increase in Cash and cash equivalents result of the issuance of new shares to parties and listed on the Stock Exchange of Thailand. And trade and other receivables – net, mostly from trade account receivables - unrelated parties that the Company delivered high valued worked during the quarter 1 of 2023 from the IT Infrastructure Solutions Business and were not yet due. In addition, the current portion of contract assets – net of the Company increased by Baht 218.84 million or increased by 574 percent comparing to the end of 2022 from Energy Saving and Management Solution Business, Internet Services Solutions Business and IT Infrastructure Solutions Business.

Liabilities

As at 30 September 2023, total liabilities of the Company amounted to Baht 890.87 million, which increased by Baht 324.71 million or increased by 57.35 percent from the end of 2022 due to an increase in Long-term loans from financial institutions - net of current portion. This was because the Company ordered products and services to be used in more project works, especially for projects in Energy Saving and Management Solution Business. As a result, in Long-term loans from financial institutions of the Company increased comparing to the previous year.

Shareholders' equity

As at 30 September 2023, shareholders' equity of the Company increased by 140.52 percent from the end of 2022 due to the Share capital Issued fully paid-up and Share premium increased, This was because of the issuance of new shares to parties and listed on the Stock Exchange of Thailand.

Liquidity and Capital Sufficiency

| Item (Unit: Mil. Baht) | For the 9-month period ended 30 September | |
|--|---|---------------|
| | 2022 | 2023 |
| Net cash flows from (used in) operating activities | 5.63 | (313.40) |
| Net cash flow used in investing activities | (13.90) | (13.45) |
| Net cash flow from (used in) financing activities | (3.80) | 514.25 |
| Net decrease in cash and cash equivalents | (12.06) | 187.40 |
| Cash and cash equivalents at the beginning period | 105.12 | 89.93 |
| Cash and cash equivalents at end of period | 93.06 | 277.33 |

As at 30 September 2023, net cash flows used in operating activities of the Company for 9-month period amounted to Baht (313.40) million from profit before income tax of Baht 68.99 million, which was adjusted for changes in non-cash items and non-operating activities totaling Baht 18.47 million, changes in operating assets and liabilities totaling Baht (383.34) million and interest and income tax payments totaling Baht (17.52) million. Adjustment was made for a non-cash item and a non-operating activity from finance costs in the amount of Baht 8.28 million and interest income of Baht (5.26) million. The changes in operating assets and liabilities were mainly from an increase in contract assets of Baht 218.84 million, increase in trade and other receivables of Baht 147.44 million, increase in inventories of Baht 133.61 million an increase in trade payables of Baht 95 million. In addition, net cash used in investing activities of the Company amounted to Baht (13.45) million, mainly from the restricted bank deposits increased by Baht 12.47 million, purchase of building improvements and equipment in the amount of Baht 1 million and the purchase of intangible assets in the amount of Baht 0.24 million. And net cash from financing activities of the Company amounted to Baht 514.25 million, mainly from proceeds from increase in share capital in the amount of Baht 324 million, Long-term loans from financial institutions in the amount of Baht 200.38 million, cash received from installment receivables in the amount of Baht 33.32 million, short-term loans from financial institutions in the amount of Baht 12.87 million. However, payment of installment payables in the amount

of Baht 16.11 million. As a result, as of 30 September 2023, cash of the Company increased by Baht 187.40 million, and cash and cash equivalents as of 30 September 2023 were Baht 277.33 million.

Key Financial Ratio

| Key Financial Ratio | For the period ended 31 December 2022 | For the period ended 30 September 2023 |
|------------------------------|--|---|
| Current ratio (times) | 1.34 | 2.16 |
| Debt to equity ratio (times) | 2.17 | 1.48 |
| Cash cycle (days) | 40.37 | 69.38 |

Current ratio

As at 30 September 2023, current ratio of the Company was 2.16 times, close to the end of 2022 at 1.34 times. The current assets of the Company increased by 110.70 percent from increases in Cash and cash equivalents result of the issuance of new shares to parties and listed on the Stock Exchange of Thailand on August 2023 and installment receivables and contract assets. Meanwhile the current liabilities of the Company increased by 27.18 percent from the previous year, mainly increase in trade and other payables due to the gradual delivery of projects IT Infrastructure Solutions business.

Debt to equity ratio

As at 30 September 2023, the debt to equity ratio of the Company was 1.48 times, which decreased from the end of 2022, mainly due to an increase in total shareholders' equity of 140.52 percent comparing to the end of 2022 from and increase share capital Issued fully paid-up of 40 percent and Share premium increased of 664.57 percent comparing to the end of 2022 from the issuance of new shares to parties and listed on the Stock Exchange of Thailand. While the liabilities increase of 57.35 percent comparing to the end of 2022 . As a result, the total debt to equity ratio decreased.

Cash cycle

As at 30 September 2023, the cash cycle of the Company was 69.38 days, which increased by 29 days from the end of 2022, due to 1) A decrease in the average debt collection period by 21.64 days from the end of period in the previous year. This was because the Company has delivered works and billed a big project during the first half year period. However, in the second half year, the company billed and collected from debtors on a regular basis according to the contract. resulting in decreases in trade accounts receivable and average collection period. And 2) the average payment period decreased by 20.43 days because the company has a big project that requires outsourcing for operation, As a result company paid to expenses in order to comply with the specified conditions.